

UIA 1028

Combined 1017 & 1020

- The new Employer's Quarterly Wage/Tax Report, UIA Form 1028, will be available for employers to use beginning the 3rd quarter of 2012 (July 1, 2012 - September 30, 2012).
- This will create a substantial reduction in the number of quarterly forms to be filed by employers.

In the past employers have had to file two quarterly reports, UIA Form 1020, *Employer's Quarterly Tax Report*, and UIA Form 1017, *Employers Quarterly Wage Detail Report*, each quarter. Beginning with the 3rd quarter of this year which is due October 25, 2012, employers can start using the new combined form UIA 1028. The form should be available on UIA's home page under "Forms", and on either EWAM or MiWAM, whichever system is in place at the time.

UIA 1028

Combined 1017 & 1020

The re-designed form replaces six UIA forms:

1. 1017 - Quarterly Wage Detail Report
2. 1019 - Amended Wage Detail Report
3. 1020 - Employer's Quarterly Tax Report
4. 1020-R-Reimbursing Employer's Quarterly Payroll Report
5. 1021 - Amended Quarterly Tax Report
6. 1021-R - Amended Reimbursing Employer's Quarterly Payroll Report

Just check the appropriate box on the form!

Public Act 269 Changes

- Employers quarterly tax due amount must be rounded to the nearest whole dollar.
- A contribution payment amount that is not an even dollar amount shall be credited to the employer's account in an amount equal to the next lower dollar amount if under 50 cents and in an amount equal to the next higher dollar amount if 50 cents or more.

Among the changes in Public Act 269 that affect the filing of the new combined form is under Section 13 (1), which states an employer's quarterly tax due amount must be rounded to the nearest whole dollar. This law change is effective beginning with the first quarter 2012 report filing due on April 25, 2012.

Public Act 269 Changes Section 13(1)

Payment received - \$355.41 / \$355.00 credited

Payment received - \$355.50 / \$356.00 credited



UIA 2012 Employer Seminars

5

Payments received with cents amounts less than .50 cents will be rounded to the next lower dollar amount. If .50 cents or more will be rounded to the next higher dollar amount.

You should round your tax when making your payment. If your tax due is \$355.41, your payment should be \$355.00. If tax due is \$355.50 or more, round your payment to \$356.00. EWAM has been updated to automatically round the payment when submitting on-line.

Public Act 269 Changes

- **Section 13(2)** On-Line filing of Quarterly Reports. By 2015 all employers will be required to file on-line.
- **Section 13(3)** Allows employers with 25 or fewer employees with 50% or more of taxes in first quarter of the previous year to equally distribute the first quarter taxes over the 4 quarters.
- **Section 15a(1)** If an employer elects to pay 1st quarter tax liability in 4 equal payments, interest will not be charged.

Public Act 269 Changes

- **Section 13(2)** On-Line filing of Quarterly Reports.

<u># of Employees</u>	<u>Implementation Date</u>
25 or more	1 st Qtr 2013
6 to 24	1 st Qtr 2014
1 to 5	1 st Qtr 2015

Section 13(2) -The requirement to file on-line will be implemented over a four-year period. Beginning this year, If you have more than 25 employees you are encouraged to file on-line.

Beginning in 2013, an employer with more than 25 employees will be required to file on-line.

Beginning in 2014, that requirement will extend to employers having more than 5 employees,

and beginning in 2015, all remaining employers will be required to begin filing on-line.

Exception: There will be a hardship exclusion that will be granted for a limited time, but eventually that will be phased out. In the future All employers will have to file on-line.

Section 13(3)Apportionment

2012 Tax Due

- 1st Qtr taxes= \$2,000.00
- 2nd Qtr taxes= \$750.00
- 3rd Qtr taxes= \$500.00
- 4th Qtr taxes= \$0.00

For 2013:

- 1st Qtr taxes= \$2,000.00
Pay \$500.00 - 1st Qtr
- 2nd Qtr Taxes = \$750.00
Pay \$750.00 + \$500.00
- 3rd Qtr taxes= \$500.00
Pay \$500.00 + \$500.00
- 4th Qtr taxes= \$0.00
Pay \$500.00

8

As you can see, in this example the 1st quarter tax liability for 1st quarter 2012 was more than 50% of the total taxes due. So in 2013 this employer can elect to divide the first quarter tax due into four payments payable over the 4 quarters. This can be done by checking the “Apportionment of Taxes” box on the new UIA Form 1028. **Reminder: This only applies for employers with 25 or fewer employees.**

To avoid interest and penalty, the employer would have to notify UIA (via Form 1028) of the election to make apportioned payments with the 1st quarter’s payment, and then timely file each quarter’s payments.

Public Act 269 Changes

Increased penalties under Section 54(c)(2)

- From **\$25.00** to **\$50.00** for late reporting if not received within 30 days of the report due date.
- Additional **\$250.00** penalty if still not received by the next quarter due date, and **\$250.00** for each quarter it is not received.

Under Public Act 269 the penalties for filing the Wage Detail Report (UIA 1017) have increased.

These changes go into effect now beginning with the 1st quarter 2012 report filing. The new combined form (UIA 1028) doesn't go into use until the 3rd quarter. But when it does, the fines will apply to the new form as well.

Wage Penalties 54(c)(2)

Wage Report due **April 25, 2012** (1st Qtr):

May 26, 2012 (30 days) = \$ 50.00 penalty

July 25, 2012 (2nd Qtr) + \$250.00

= \$300.00 total

October 25, 2012 (3rd Qtr) + \$250.00

= \$550.00 (total)

In the above example we can see how penalties add up for non-filing of tax reports. If the tax report (UIA 1020) is not received by May 26, 2012 a \$50.00 penalty will be charged. By 2nd quarter due date if the tax report still has not been received an additional \$250.00 penalty is charged. After the 3rd quarter due date an additional \$250.00 penalty is applied. That will be a total of \$550.00 in penalty charges for the 1st quarter tax report. These penalties apply for late reporting and for submitting an incomplete or erroneous wage report. So it's important to file reports timely and accurately.

Wage Penalties 54(c)(2)

The same penalties apply if an incomplete or erroneous report is filed.

If the UIA discovers an error in a report that was filed timely, the Agency will have to give the employer written notification. Penalties will not apply if a corrected report is filed within 14 days after notification of the error.